



POLICY AND PROCEDURES

Rhode Island Department of Education
Office of Statewide Efficiencies
Child Nutrition Programs

CACFP Emergency Operational Cost Reimbursement Program Frequently Asked Questions

BACKGROUND:

As part of the Consolidated Appropriations Act, 2021 (the Act), the United States Department of Agriculture's (USDA) Food and Nutrition Services (FNS) is offering additional funds to State Agencies administering the Child and Adult Food Care Program (CACFP) to provide local operators with additional reimbursements for emergency operating costs incurred during the public health emergency created by the novel coronavirus.

This reimbursement program will provide additional funding for CACFP operators whose revenues declined or were temporarily interrupted during the early months of the pandemic due to COVID-19 related closures and restrictions. The amount of funding provided to each sponsor has been determined by a statutory formula as established under the Act.

Below are some frequently asked questions adapted from FAQs released by USDA and from those received by RIDE. Any additional questions can be directed to Jessica Patroliia at Jessica.patroliia@ride.ri.gov or Dalila Townes at dalila.townes@ride.ri.gov.

Frequently Asked Questions:

1. Who is eligible for the CACFP Emergency Operational Cost Reimbursement Program?

Any institution, unaffiliated center, and day care home which:

- Has an agreement with the State agency to assume final administrative and financial responsibility for Program operations OR enter into an agreement to operate the Program under the auspices of a sponsoring organization;
- Filed valid reimbursement claims during any of the months of March – June 2019 or January – February 2020; and
- Filed valid claims for any of the months from September 2020 through the present; OR provided an assurance to the administering State Agency that they *will* file a claim within the first 90 days after the end of the public health emergency.

2. I was closed for all or some of the months, March 2020 – June 2020/ I didn't lose any revenue due to COVID-19. Am I still eligible for payment?

Being closed in all or some of the above months in 2020 does not preclude a sponsor from being eligible for payment. Additionally, the eligibility criteria does not take into account your particular circumstances regarding revenue, if reimbursements were higher for the applicable months in March 2019 – June 2019 (or January – February 2020 for new sponsors) vs March 2020 – June 2020, the formula will consider you to have "lost revenue" and the calculation will return a result. If you meet all eligibility criteria as highlighted in question 1, you are eligible for payment.

3. How was my payment calculated?

Program reimbursements for CACFP meals were included when calculating payments under the CACFP Emergency Operational Costs Program. Commodity (cash-in-lieu) reimbursements were not included per USDA guidance.

In the calculation of payment amounts sponsors fall into two categories: “new” operators and all other operators. The benefits owed to program operators for each reimbursement month (March, April, May, and June 2020) were calculated separately.

Payment owed to other eligible sponsors were calculated by subtracting the total reimbursement amount received from CACFP meals during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during the reference month (March, April, May, or June 2019). The difference of those figures was multiplied by .55 for the months of April, May, and June. As the pandemic began in mid-March, the March result is further divided by two to arrive at March 2020 payment.

Payments owed to eligible “new” sponsors were calculated similarly, except the reference period was the average of January 2020 and February 2020 CACFP meal reimbursements rather than March 2019 – June 2019 reimbursements. A sponsor could have monthly payments calculated based on a combination of the “new” sponsor formula as well as “other eligible” sponsor formula dependent on when the sponsor began operating the CACFP.

4. When calculating payments, what constitutes a “new” CACFP institution, day care home, or unaffiliated center, as opposed to all other operators?

A new Program operator is defined as one that was not operating the CACFP during a given month during the reference period of March, April, May, or June 2019.

5. If I did not operate in April 2020 (or another reimbursement month), will I simply receive 55 percent of my claim from the applicable reference month/period?

Yes. As there is nothing to subtract from the reference month’s claim, you would receive 55 percent of your claim from the applicable reference month in 2019 or the alternative reference period for new sponsors (average of January/February 2020). In such cases, you will receive the maximum possible benefit under the calculation formula.

6. What is the CFDA # associated with this program?

The CFDA # associated with the CACFP Emergency Operating Costs Program is 10.558.

7. When must funds received by the state agency be spent by/What is the period of performance for this program?

These funds will be regarded as expended upon receipt by the program operator. Funds provided under this authority represent reimbursement to program operators for program performance and costs incurred in the past. They are not accompanied by specific future performance expectations beyond normal program expectations. As such, the program operator has already met all performance expectations of the award. Except as provided for in the first paragraph of question #8 below, these

funds, like all reimbursements received in the program, should be deposited in the Nonprofit Food Service account and used in accordance with normal program requirements.

As a reminder, a sponsor can carry a surplus of CACFP funds, however, the surplus cannot be excessive. As a general rule, RIDE considers a balance of 3 months (or greater) of average expenditures to be excessive. If you believe the acceptance of these funds will result in a balance of greater than three months of average expenditures you must work with RIDE to submit a spending plan for these excess funds.

Additionally, please be reminded that CACFP funds cannot be used on unapproved line items and any surplus funds must be carried forward to future years and used solely for the benefit of the program.

8. What are the allowable uses for these funds?

Funds provided to program operators under this authority represent reimbursement for excess costs incurred during defined reimbursement period (**March 2020 – June 2020**). The funds may be used to reimburse any local source of funds used to supplement the Nonprofit Food Service account during the reimbursement period to offset the impact of pandemic operations on that account. If this approach is taken, the program operator must maintain documentation supporting these reimbursements for future audit or oversight purposes. Any remaining funds must be deposited in the Nonprofit Food Service account and be used in accordance with normal program requirements.

Other than the provision mentioned above, these funds are subject to the same performance/allowable cost rules as other CACFP reimbursement funds. As an overarching rule, nonprofit food service revenue must be used for operating the meal service and/or improving its quality and efficiency. Additionally, per the Federal cost principles all costs charged to Federal awards must be necessary, reasonable, allocable, and allowable. Examples of allowable uses of CACFP reimbursement funds include direct costs such as purchased food, food supplies and non-food supplies related to the operation of the CACFP, salaries & benefits related to operating the CACFP, food service equipment, and the program's share of indirect costs such as facilities and utilities. Please reference the RIDE CACFP budget for more categories/examples of allowable costs in the CACFP. Please note that applicable procurement regulations (as found in 2 CFR 200.318 through 2 CFR 200.326) must be followed for any procurements using CACFP funds.

Additionally, once deposited to the non-profit food service account these funds can be carried forward and used for future expenses or to offset future losses, so long as these funds don't result in carrying a balance that exceeds three months of average expenditures.

9. Do I need to revise my budget for my intended use of these funds?

You are not required to revise a previously submitted budget to reflect the use of these funds. However, please be reminded that CACFP funds can only be used on previously approved budget line items. If you intend to use these funds to support purchases in FY22, prior approval must be received from RIDE through the budgeting process if it is for a line item that was not in your previously submitted budget. Additionally, if you are projecting a surplus or have leftover unused CACFP Emergency Operational funds you must carry these funds forward for program use in future years. Any surplus or carryforward should be included in your FY22 budget submission (if applicable). A CACFP surplus should be included on the income tab in the budget, in the Estimated CACFP Reimbursement cell. You must use the sponsor explanation cell and indicate that the estimated reimbursement also

includes a CACFP surplus.

10. Can I use these funds to purchase equipment?

Yes, equipment purchases are an allowable use of these funds. Please note that the applicable Federal procurement regulations (as found in 2 CFR 200.318 through 2 CFR 200.326) must be followed for equipment purchases and all uses of CACFP Federal funds. If you are using these funds to purchase equipment, you must receive prior approval from RIDE by submitting a revised budget.

11. When will these payments be disbursed?

RIDE anticipates disbursing the majority of payments to all eligible operators that have confirmed that they are participating in this program the week of August 16, 2021. RIDE has until January 31, 2022 to disburse funds to program operators and will make additional payments as necessary.

12. What do I have to do receive the payments?

In order to receive payment, you must respond to the email sent by RIDE (Jessica Patroliia) on July 8, 2021 indicating your intent to participate in this program and agreeing to the terms of acceptance of the funds. Additionally, some sponsors may be required to submit an assurance in order to receive payment, which will be sent to you by RIDE via docusign.

13. I operate the National School Lunch Program (NSLP) and the CACFP. I already received notification of program eligibility under the SNP Emergency Operational Costs Program. Why am I am receiving notification of eligibility under the CACFP Emergency Operational Costs program as well and why are the amounts different?

There are two separate Emergency Operational Costs programs, one for program operators of the NSLP/SBP and one for program operators of the CACFP. If you are an SFA that operates both the NSLP and CACFP and you meet all the eligibility criteria you can receive reimbursement under both programs. The amount of reimbursement will be different under both these programs as the meal program reimbursements used to calculate the payments are different. SNP Emergency Operational cost payment is calculated based on program reimbursements for meals and supplements earned under the NSLP, School Breakfast Program (SBP), and Summer Food Service Program (SFSP). CACFP Emergency Operational Costs reimbursement is based off of CACFP meal reimbursements. If you are eligible for both of these programs you will receive two separate payments from RIDE.

REFERENCES

[USDA Memo SP-06, 2021 - CACFP-05, 2021: Child Nutrition Programs Emergency Operating Costs During COVID-19](#)

[USDA Q&A for Program Reimbursement for Emergency Operational Costs for Child Nutrition Programs during the COVID-19 Pandemic](#)

[USDA Child Nutrition Emergency Operational Costs Reimbursement Programs: Q&A #2](#)